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Programme budget for the biennium 2008-2009

Proposed programme budget for the biennium 2010-2011

Limited budgetary discretion

Nineteenth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2010-2011

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on limited budgetary discretion (A/64/562). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification.

2. The General Assembly, in paragraph 11 of its resolution 60/246, recognized the need for limited discretion in budgetary implementation for the Secretary-General, within defined parameters, to be agreed by the Assembly along with clear accountability mechanisms to the Assembly for its use. The Assembly, in section III of its resolution 60/283, decided to authorize the Secretary-General, on an experimental basis, a limited discretion for budgetary implementation for the bienniums 2006-2007 and 2008-2009, to enter into commitments up to $20 million in each biennium for positions and non-post requirements for the purpose of meeting the evolving needs of the Organization in attaining it mandated programmes and activities. The Assembly decided that the authorization would be implemented in line with nine principles (see resolution 60/283, sect. III, paras. 8 (a)-(i)).

3. The Secretary-General proposes that the limited budgetary discretionary authority mechanism be continued as an established procedure, with the following three modifications (see A/64/562, paras. 17-20): (a) an increase in the amount of the limited budgetary discretion from $20 million to $30 million per biennium for the purpose of meeting the evolving needs of the Organization; (b) prior concurrence of the Advisory Committee for amounts exceeding $10 million per biennium, representing an increase from $6 million per biennium; and (c) a utilization of the authority for cross-cutting activities except, as decided by the General Assembly in section III, paragraph 8 (e), of its resolution 60/283, in

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instances calling for the implementation of decisions from "within existing resources".

4. The Advisory Committee recalls that the General Assembly requested that the comprehensive report of the Secretary-General on the implementation of the experiment of the limited budgetary discretionary mechanism include the following aspects (see resolution 60/283, sect. III, paras. 10 (a)-(d)):

(a) The utilization of the experiment during the course of the two bienniums;

(b) Implications, if any, for the human resources management policies and the Financial Regulations and Rules of the United Nations;

(c) The impact on programme delivery, as well as on the priorities of the Organization as set by Member States;

(d) The criteria used by the Secretary-General to define the evolving needs of the Organization.

5. The table below summarizes the Secretary-General's utilization of the limited budgetary discretion during the bienniums 2006-2007 and 2008-2009.

Utilization of the limited budgetary discretionary authority for 2006-2007 and 2008-2009

(In United States dollars)

Limited budgetary discretion used for [a]	*2006-2007* [b,c]	*2008-2009* [d]	*Total*
Avian influenza pandemic preparedness	5 300 000	—	5 300 000
Human influenza pandemic preparedness	—	8 556 100	8 556 100
Enterprise resource planning project	—	2 764 000	2 764 000
To address fire safety deficiencies at United Nations Headquarters	3 500 000	—	3 500 000
Total	**8 800 000**	**11 320 100**	**20 120 100**

[a] The requirements have been funded through the utilization of savings under various programme budget sections.

[b] No use of the limited budgetary discretion was made in 2006 (see A/64/562, para. 8).

[c] See A/64/562, para. 9.

[d] See A/64/545, para. 28, and resolution 63/262, sect. II, paras. 18-20.

6. The Advisory Committee points out that the following mechanisms exist, with specific conditions, to fund activities that had not been provided for in the programme budget:

(a) Under the terms of General Assembly resolution 62/239 on unforeseen and extraordinary expenses for the biennium 2008-2009, the Secretary-General is authorized, with prior concurrence of the Advisory Committee, to enter into commitments for: (i) amounts not exceeding a total of $8 million in one year relating to the maintenance of peace and security; (ii) such commitments as the President of the International Court of Justice certifies relating to Court expenses; and (iii) amounts not exceeding a total of $1 million for security measures;

(b) Under the terms of General Assembly resolution 41/213 and, most recently, resolution 63/266, the level of the contingency fund was approved by the General Assembly as 0.75 per cent of the preliminary estimate of the programme budget;

(c) Transfers between appropriations (financial regulation 5.6 and financial rule 105.1);

(d) Commitments against appropriations for future financial periods (financial regulation 5.7 and financial rule 105.2);

In addition, the Working Capital Fund can provide funds to finance mandated activities in advance of receipt of funding.

7. **The Advisory Committee regrets the late issuance of the report of the Secretary-General, approximately one week prior to the closure of the main part of the sixty-fourth session of the General Assembly. Furthermore, the report did not adequately respond to the request of the Assembly (see resolution 60/283, sect. III, paras. 10 (a)-(d)). The report lacked adequate justification and/or explanation to support the request of the Secretary-General.**

8. **The Advisory Committee regrets that only one of the four criteria requested by the General Assembly, namely information on the utilization of the experiment to-date, was fully addressed in the report of the Secretary-General. While the annex to the report sets out questions to be examined when considering the possible use of the limited discretionary authority, it does not clarify how these questions would affect a decision to employ it. The Committee recalls that the Assembly requested the Secretary-General to report on the criteria used to define the evolving needs of the Organization (see resolution 60/283, sect. III, para. 10 (d)).**

9. The Advisory Committee is of the opinion that the limited budgetary authority to the Secretary-General has been authorized by the General Assembly on an experimental basis and that its formal establishment as a mechanism, as requested by the Secretary-General, is a policy decision to be made by the Member States. In this context, but bearing in mind the shortcomings of the report of the Secretary-General, the Committee does not object to the continuation of the current arrangements for the exercising of the limited discretionary authority by the Secretary-General for the biennium 2010-2011. The Committee recommends that the Secretary-General be requested to submit a comprehensive report to the Assembly at its sixty-sixth session that fully addresses all of the requests made by the Assembly in section III, paragraphs 10 (a) to (d), of its resolution 60/283.